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Richard W. Revels, Jr. rwrevels@liskow.com

January 16, 2007

Honorable James H. Welsh Commissioner of Conservation Office of Conservation P. O. Box 94275 Baton Rouge, LA 70804-4275

Re:

Pelican Zone, Reservoir B BAYOU DULARGE FIELD Terrebonne Parish, Louisiana

Dear Commissioner Welsh:

Application is hereby made on behalf of **APACHE CORPORATION** for the calling of a public hearing, after legal notice, to consider evidence relative to the issuance of an order pertaining to the following matters relating to the Pelican Zone, Reservoir B, in the Bayou Dularge Field, Terrebonne Parish, Louisiana:

- 1. To establish rules and regulations and to create a single drilling and production unit for the exploration for and production of gas and condensate from the Pelican Zone, Reservoir B, in the Bayou Dularge Field, Terrebonne Parish, Louisiana, said proposed unit designated PEL RB SUA, as shown on the plat attached hereto and made a part hereof.
- 2. To force pool and integrate all separately owned tracts, mineral leases and other property interests within the proposed unit with each tract sharing in unit production on a surface acreage basis of participation.
 - 3. To designate Apache Corporation as operator of the proposed unit.
- 4. To designate the Apache Corporation F. Theriot, et al No. 1 Well as unit well for the proposed unit.
- 5. To provide that any future substitute and/or alternate unit wells drilled to the Pelican Zone, Reservoir B, within or outside of the unit created herein, should be located in accordance with the spacing provisions of LAC 43:XIX.1901 et seq. (Statewide Order No. 29-E).
- 6. To provide that the Commissioner of Conservation should be authorized to reclassify the reservoir by supplemental order without the necessity of a public hearing if the

producing characteristics of the reservoir change and evidence to justify such reclassification is submitted to and accepted by the Commissioner of Conservation.

7. To consider such others matters as may be pertinent.

The Pelican Zone, Reservoir B, in the Bayou Dularge Field, is hereby defined as being that gas and condensate bearing zone encountered between the depths of 10,608 feet and 12,360 feet (electrical log measurements) in the Apache Corporation – F. Theriot, et al No. 1 Well, located in Section 23 of Township 19 South, Range 16 East, Terrebonne Parish, Louisiana.

Pertinent data, including well logs, may be obtained, AT THE COST OF THE REQUESTING PARTY, from Louis Gilbert & Associates, 3636 North Causeway Blvd, Suite 204, Metairie, LA 70002, Telephone No. (504) 836-6393.

Pursuant to the Rules of Procedure, pre-application notice was given. We received one request for the conference, but that request was later withdrawn. Therefore, the conference tentatively scheduled for January 24, 2007, **WILL NOT BE HELD**.

Attached hereto and made a part hereof is a plat outlining the applicant's proposal, along with a list of the names and addresses of the Interested Owners, Represented Parties, and Interested Parties to whom a copy of this application is being mailed. Pursuant to the Revised Rules of Procedure, the plat (being the same plat attached to the pre-application notice dated January 2, 2007) and list of parties are being furnished ONLY to the Commissioner of Conservation and to the District Manager of the Lafayette District of the Office of Conservation; however, the plat and/or list of parties will be furnished to any party requesting copies. A reasonable effort was made to ascertain the names and addresses of all Interested Owners, Represented Parties and Interested Parties.

Finally, enclosed is our check in the amount of \$755.00 made payable to the Office of Conservation submitted on behalf of the applicant representing the hearing application fee.

Very truly yours,

RWRjr/df Attachments Richard W. Revels, Jr.

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cc:

Mr. Richard Hudson, Lafayette District Office of Conservation

cc: Interested Owners, Represented Parties, and Interested Parties

